



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Sonny Perdue
GOVERNOR

January 19, 2007

The Honorable Nancy Pelosi
Speaker of the House of Representatives
235 Cannon HOB
Washington, D.C. 20515

Dear Speaker Pelosi,

I am writing today to address an issue that is not only critical to the children of Georgia, but an issue that impacts children in all fifty states across the nation. The State Children's Health Insurance Program (SCHIP) has been a tremendous success in providing affordable health insurance to low-income children. However, the program is in jeopardy due to federal funding shortfalls for FFY2007.

As you are well aware, SCHIP was a bipartisan approach to address the growing number of children who are without health insurance in America. With more than 6.1 million children receiving benefits, SCHIP is widely considered a national success. In Georgia, the state with the fourth largest enrollment, more than 270,000 children receive coverage.

Despite all of its success, the SCHIP program is governed by a flawed and antiquated distribution formula that penalizes the states successfully implementing the mission of SCHIP. Forty states have expenditures greater than their federal SCHIP allotment per year and seventeen of those states are facing federal matching shortfalls for FFY2007, while almost \$1 billion sits unspent in the SCHIP program. It is imperative that Congress act quickly to cover 2007 funding shortfalls, while also addressing the formula problem through comprehensive reauthorization of the program. It is vitally important to our most needy citizens that Congress act expeditiously.

The Georgia Congressional Delegation worked tirelessly for the last two years to respond to Georgia's funding shortfall issues. However, we are at a point now that requires the leadership of Congress to make funding SCHIP a priority. As you stated at the close of the

109th Congress, "As Members of Congress, it is our duty to make every decision with America's children in mind." For Georgia, and the sixteen other states facing federal funding shortfalls this FFY2007, the clock is ticking. Simply put, Georgia's program will be bankrupt in March.

The State of Georgia asks for your leadership in making SCHIP and the nation's children a top priority. We stand ready to be a partner in this program and meet our state portion of the funding. It is time to strengthen and preserve a successful program that meets the needs of our children.

Thank you for your attention regarding this vital matter.

Sincerely,



Sonny Perdue

Cc: Chairman John Dingell
Chairman Frank Pallone
Congressman Nathan Deal
Congressman Charlie Norwood
Congressman John Barrow